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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/697,009	10/25/2000	Bruce L. Davis	60319	4530

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DIGIMARC CORPORATION  
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SUITE 100  
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EXAMINER

JANVIER, JEAN D

ART UNIT

PAPER NUMBER

3622

DATE MAILED: 05/02/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/697,009	<b>Applicant(s)</b> DAVIS ET AL.
	<b>Examiner</b> Jean D Janvier	<b>Art Unit</b> 3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

1)  Responsive to communication(s) filed on 22 June 2001.

2a)  This action is **FINAL**.                    2b)  This action is non-final.

3)  Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## **Disposition of Claims**

4)  Claim(s) 1-4 is/are pending in the application.

4a) Of the above claim(s) 1,3 and 4 is/are withdrawn from consideration.

5)  Claim(s) \_\_\_\_\_ is/are allowed.

6)  Claim(s) 2 is/are rejected.

7)  Claim(s) \_\_\_\_\_ is/are objected to.

8)  Claim(s) 1-4 are subject to restriction and/or election requirement.

## Application Papers

9)  The specification is objected to by the Examiner.

10)  The drawing(s) filed on \_\_\_\_\_ is/are: a)  accepted or b)  objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)  The proposed drawing correction filed on \_\_\_\_\_ is: a)  approved b)  disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)  The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

13)  Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)  All b)  Some \* c)  None of:

1.  Certified copies of the priority documents have been received.
2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3.  Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

14)  Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a)  The translation of the foreign language provisional application has been received.

15)  Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1)  Notice of References Cited (PTO-892)  
2)  Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3)  Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_

4)  Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_  
5)  Notice of Informal Patent Application (PTO-152)  
6)  Other: \_\_\_\_\_

Restriction to one of the following inventions is required under 35 U.S.C.

121:

- I. Claim 1, drawn to a coffee cup or a jacket for a coffee cup having encoded thereon in the form of digital watermark a plurality of bit data, classified in class 705 and subclass 23, class 709 and subclass 217, class 382 and subclasses 100, 182.
- II. Claim 2, drawn to a method for sensing or scanning a digitally watermarked object at a first location and at a second location respectively using a reading device, wherein the scanning process taking place at the first location and second location respectively produces two different outputs or readings and wherein one of the reading triggers the issuance of a coupon, classified in class 705 and subclasses 14, 23, class 709 and subclass 217, class 382 and subclasses 100, 182.
- III. Claim 3, drawn to a method for sensing or scanning a digitally watermarked object at a first time  $t_1$  using a reading device and another digitally watermarked object at a second time  $t_2$  using a reading device, wherein the scanning process taking place at the first time and at the second time produces two different outputs or readings and wherein one of the reading triggers the issuance of a coupon, classified in class 705 and

subclasses 14, 23, class 709 and subclass 217, class 382 and subclasses 100, 182.

IV      Claim 4, drawn to a physical object having a plurality of faces wherein a first face is digitally watermarked with first information and a second face is digitally watermarked with second different information, wherein at least one of said information represents a coupon, classified in class 705 and subclasses 14, 23, class 709 and subclass 217, class 382 and subclasses 100, 182, class 235 and subclass 494.

The four inventions are distinct because of the unrelated subject matter they cover and their classifications. Although, the inventions are related as subcombinations disclosed as usable together in a single combination, the subcombinations are distinct if they are shown to be separately usable. Indeed, the inventions have separate utility and are separately usable.

Because these inventions are distinct for the reasons given above and have acquired a separate status in the art because of their recognized divergent subject matter, restriction for examination purposes as indicated herein is proper. And during a phone conversation with the Applicant on April 14, 2003, the Applicant elected, with traverse, to have claim 2 examined.

To this end, a Non-Final Office Action on the merits follows.

## **DETAILED ACTION**

### **Status of the claims**

Claims 1-4 were originally presented. After a restriction requirement, Applicant elected, with traverse, to have 2 examined.

### *Specification*

### *Priority*

Applicant's indirect claim for domestic priority under 35 U.S.C. 119(e) to Provisional Application 60/134, 782, file on 05/19/1999, through Application 09/343,104, filed on 06/29/1999, is acknowledged. However, the provisional application upon which priority is claimed fails to provide adequate support under 35 U.S.C. 112 for claim 2 of this application. For examination purpose, the Instant Application will receive a filing date of 10/25/2000 unless the Applicant can provide document to support an earlier filing date. Further, Bruce Davis' name, a co-inventor in the Instant Application, does not appear in the provisional Application. In addition, the Instant Application has only two inventors while Application 09/343, 104, a priority document, has six inventors (see enclosed printouts).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Barnett, US Patent 6, 321, 208B1 in view of "Official Notice".

As per claim 2, Barnett discloses a system for distributing over the Internet, in a secure manner, electronic coupons received from distributor 16 and coupon issuer 14 (vendor) to a specific user using a personal computer 6 of fig. 1 linked to a server or a web server or online service provider 2 having a database 40 containing product coupons and information on products and services (promotional items or advertisements) available for sales at participating retail stores or online shopping malls and wherein upon

connecting to said system or online service provider 2 of fig. 1 over the Internet, the user using personal computer 6 can download coupon data directly to his personal computer memory or Hard disk drive where they can be printed in the form of paper coupons 70 (hard copies or object). The printed coupon 70 (object), as shown in fig. 5, comprises a plurality of fields including a unique user identification code 90 to uniquely identify the user or customer during a transaction, redemption instructions 88, product information 80, border graphics 72, redemption amount 74, expiration date 78, UPC number 82, UPC bar code 84 and so on (col. 12: 14-25). Moreover, the user takes the printed coupon(s) (object) to a participating retail store and wherein upon detecting the presence of a UPC code related to a promotional item associated with a printed coupon in the customer's order, the coupon is redeemed accordingly, subsequent to verifying the identity of the user or the bearer of the coupon, and a price reduction is applied to the customer's order. In addition, the unique user identification code 90 renders the electronic coupon distribution and redemption system secure and virtually fraud proof. In order to discourage fraudulent activities, in the form of photocopy, a particular set of coupon data can be used to obtain a printed coupon only once (hence a one-time redemption), thereby preventing the user or retailer from photocopying a printed coupon several times and subsequently and repeatedly presenting the photocopies for redemption (col. 7: 21-34; col. 11: 11-23; col. 11: 44-47).

(See abstract; figs. 1, 5; col. 8: 14-21; col. 11: 29-43; col. 12: 14-25).

Barnett does not explicitly disclose digitally watermarking an object (coupon) and triggering two different responses when the object is read at two locations.

However, electronically or digitally watermarking an object or document to ensure their authenticity to thereby identify any copies of the object or document is old and well known in the art. Indeed, a watermark is a mark, which is difficult to reproduce and it is laid over some other existing information for the purpose of identification and authenticity of the underlying information (e.g. visible watermark on currency). Further, electronic or digital watermark is invisible or imperceptible to the user. Therefore, electronically or digitally watermarking an object (coupon) or document makes it impossible to reproduce the object since the photocopies of the object (coupon) will not contain the invisible or imperceptible watermark (mark).

Therefore, an ordinary skilled artisan would have been motivated at the time of the invention to incorporate the above disclosure (“Official Notice”) into the secure coupon distribution system of Barnett so as to allow a user or customer to download coupon data including data representative of an electronic mark (digital watermark) and subsequent use the coupon data including the electronic mark to obtain a one-time printed coupon 70 (object) of fig. 5 having imprinted thereon, among other indicia, an invisible or imperceptible electronic or digital watermark (mark), wherein upon scanning the printed coupon (object) at a first POS during a redemption process, the invisible mark or digital watermark is detected by the POS scanner (triggering a first reading indicative of the application of the discount) and a price reduction is be applied to the customer’s accordance with field 74 of fig. 5 for not only purchasing the associated product, but also for presenting an authentic coupon (object) for redemption and if the customer or user

attempts to redeem a photocopy of the same coupon at the first POS or a second POS during a transaction, then the POS scanner will not detect the digital watermark (triggering a second output or message related to the status of the photocopy of the coupon) on the photocopy of the coupon and the illegal redemption attempt will fail, thereby preventing multiple redemptions of a single authentic coupon using photocopies (counterfeit) of the authentic coupon, having among other indicia the invisible digital watermark imprinted thereon, by any malicious customers, while reducing or eliminating fraudulent activities common in any coupon distribution and redemption system, which in the end helps the coupon distributor 16 and coupon issuer 14 save considerable amount of money by not having to compensate retailers for those multiple and fraudulent redemptions.

### **Conclusion**

The following references, not relied upon in the Office Action, are considered relevant-

US Patent 6,014,634A to Scroggie et al. discloses an incentive distribution network.

US Patent 6,108,656A to Durst et al. discloses an automatic access to electronic information via a printed medium.

US Patent 6,148,331A to Parry discloses an automatic access to electronic information via a printed medium.

US Patent 5,978,773A to Hudetz et al. discloses an automatic access to electronic information via a printed medium.

US Patent 5,483,049A to Schulze discloses a system wherein a customer brings a printed medium to a retail store having a coupon imprinted thereon and wherein the customer exchanges the printed coupon for an exchange coupon available at the retail store and wherein the printed coupon was directly associated with the retail store.

Any inquiry concerning this communication from the Examiner should be directed to Jean D. Janvier, whose telephone number is (703) 308-6287. The aforementioned can normally be reached Monday-Thursday from 10:00AM to 6:00 PM EST. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's Supervisor, Mr. Eric W. Stamber, can be reached at (703) 305- 8469.

For information on the status of your case, please call the help desk at (703) 308-1113. Further, the following fax numbers can be used, if need be, by the Applicant(s):  
After Final- 703-872-9327  
Before Final -703-872-9326  
Non-Official Draft- 703-746-7240  
Customer Service- 703-872-9325

**Please provide support, that is page and line numbers, for any amended or new claim in an effort to help advance prosecution; otherwise any new claim**

**language that is introduced in an amended or new claim may be considered as new matter, especially if the Application is a Jumbo Application.**

JDJ

04/28/03



Jean D. Janvier

Patent Examiner

Art Unit 3622